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Russian Federation

Dairy and Products

Russia Changes Definition of "Milk"

2008

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Report Highlights:

Russian President Medvedev signed Federal Law "Technical Regulations for Milk and Dairy products ". Under the Law, fluid milk that is produced from dry milk, concentrated milk or condensed milk can no longer be called "milk" and will be referred to as "milk beverage". The dairy sector is concerned that consumption and prices for these products will fall as a result of the new Law.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Moscow [RS1]
[RS]

Summary

Dmitriy Medvedev, the Russian President signed a Law on "Technical Regulations for Milk and Dairy products" on June 14, 2008. The law was passed by the State Duma (the lower house of the Russian legislature) on May 23, 2008, and approved by the Federal Council on May 30, 2008. The Technical Regulations concern milk and milk products as well as their production, storage, transportation, sale and utilization of milk and milk products. The new term "milk beverage" (referring to milk produced from non-fat dry milk, whole milk powder, condensed milk, or concentrated milk) has created great concern in the dairy sector as dry milk is widely used in the industry. Dairy product producers fear that the term "milk beverage" will reduce consumption and result in lower prices for dry milk. Dairy processors use dry milk as volumes of raw milk supplies are seasonal in Russia, with summer supply nearly doubles that of winter. Supporters of the Law argue that the new technical regulation will not cause any harm to the Russian dairy industry as only 15 percent of fluid milk sales in Russia fall under this category and most of it is traded in the Russian regions where there are no dairy farms.

The Law will have a negative impact on both domestic dry milk production and imports. Belarus and Ukraine are the leading suppliers to the Russian market, accounting for more than half of Russia's milk powder imports.

The Law on "Technical Regulations for Milk and Dairy products" will become effective on December 13, 2008.

The Law in Russian can be found at the President's site:

<http://document.kremlin.ru/doc.asp?ID=046446>

Information from the website of the Federation Council about consideration of the "Technical Regulations for Milk and Milk and Dairy Products." A link to the information can be found at: http://www.council.gov.ru/print/inf_ps/chronicle/2008/05/item7665.html

[Unofficial Embassy Translation of the Federation Council Resolution]

Begin text:

Federation Council approves the Law on technical regulations for milk and milk products

The Council of Federation has approved the law on "Technical Regulations for Milk and Milk/Dairy Products." The Law has been developed in accordance with the Law "On Technical Regulations" to implement the provisions of the technical regulations reform in the country. The Law embodies all minimum necessary requirements for products that are indicated in the current legislation, national standards, sanitation and veterinary rules and standards. It was noted during the debate that the law embodies more than 700 current regulations.

While presenting the law to members of the Council of Federation, Valentin Zavadnikov, Chairman of the Council of the Federation Committee for Industrial Policy said in particular that it was the first technical regulation adopted by the Russian Federation five years after the approval of the basic legal act "On Technical Regulations".

The technical regulations submitted to the Council of Federation concern such objects of regulation as milk and milk products as well as the accompanying processes involved in milk and milk products production, their storage, transportation, sale and utilization. These technical regulations introduce and define the following main notions: milk, milk/dairy

products, a milk/dairy product, a composite milk product, a milk-containing product, secondary milk/dairy raw materials, raw milk and whole milk, a milk drink, condensed whole milk - 102 product items all in all.

It should be mentioned that currently most of the milk on the market is made from powder. From now on this type of product will be called "a milk beverage".

The law establishes requirements for milk and milk products packaging and labeling. For example it requires that the producer display credible information about the product, its content, quality and properties/nutritional values.

At the same time it has been noted that the law is not free from drawbacks. It fails to give a precise definitions and it lacks uniformity in terminology. The relevant committee of the Council of Federation also has a number of technical comments concerning the law. Nevertheless, according to Mr. Zavadnikov, it is still possible to eliminate the defects in the legislation within six months, before the legislation comes into effect.

Source: Press service:

http://www.council.gov.ru/print/inf_ps/chronicle/2008/05/item7665.html

End Translation

Other relevant reports

RS8037 Dairy Semi-Annual Report

<http://www.fas.usda.gov/gainfiles/200805/146294675.doc>

RS7084 Dairy Annual Report

<http://www.fas.usda.gov/gainfiles/200712/146293349.pdf>

RS7071 Certain Dairy Import Tariffs Reduced

<http://www.fas.usda.gov/gainfiles/200710/146292751.pdf>